WEEKLY ECONOMIC REVIEW

March 2, 2007

Alberta posted the strongest gain in labour income. In 2006, Alberta's labour income increased by 12.5 per cent, more than double the national increase of 6.1 per cent.

Statistics Canada revised up Alberta's investment growth in 2006 to 15.7 per cent from 9.5 per cent projected a year ago. The gain was led by utilities (39.9 per cent), housing (28.4 per cent), and public administration (19 per cent). In 2007, investment is predicted to be $79.2 billion, up 5.2 per cent. Investment in oil sands is expected to reach a record $16.1 billion, up nearly 40 per cent, while conventional oil and gas is expected to decline by 15 per cent.

Higher shipments of grain and improved grain and oilseed prices are boosting Alberta's farm cash receipts. The receipts in the fourth quarter of 2006 were 7.2 per cent higher than the same quarter in 2005.

Canada's economy gained momentum in December, increasing 0.4 per cent compared to gains of 0.3 per cent in November and 0.1 per cent in October. In fourth quarter, the economy grew by 1.4 per cent (annualized). Growth was driven by an increase in personal expenditures and stronger exports. Overall in 2006, the economy advanced 2.7 per cent.

The U.S. fourth quarter GDP growth was revised down to 2.2 per cent from 3.5 per cent reported earlier. Consumer expenditures and exports were lower than expected.

Cdn Dollar (C¢/US$)

Mar	2, 2007	85.1¢
Feb	23, 2007	86.3¢
2006-07 YTD		88.1¢

WTI Oil US$/bbl

Mar	1, 2007	$62.00
Feb	22, 2007	$60.95
2006-07 YTD		$65.50

Nymex Natural Gas C$/mcf *

April Contract

Mar	2, 2007	$8.55
Feb	23, 2007	$8.91

*Estimate based on Nymex Futures Market Price

Global stock markets fell to register the sharpest one day fall in the past three to four years as the Shanghai index fell 8.8 per cent on China's move to increase reserve requirement ratios and to curb stock market speculation. These measures were seen to slow growth in China and triggered fears that the U.S. economy, which is already slowing, may dip into a recession.

The Canadian dollar dropped over one full cent on concerns over slowing demand for commodities. Oil prices managed to recover from earlier losses on the U.S. report of lower fuel inventories.

Economic Indicators Released this Week	Reference Period	Quarter/Previous Quarter (Q/Q)	Quarter/Previous Year's Quarter (Y/Y)	2006
	4th Quarter			
Canadian Real GDP (annualized, millions of $1997)	1,197,176	0.4%	1.4%	2.7%
U.S. Real GDP (annualized, billions of $2000)	11,506.5	0.6%	2.2%	3.3%
Farm Cash Receipts ($Millions)	4th Quarter			
Alberta	2,091	7.0%	7.2%	-0.4%
Canada	10,039	14.0%	4.3%	0.5%
		Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	
	January			
Canadian Industrial Product Price Index (1997=100)	115.1	-1.0%	2.8%	n/a
Canadian Raw Materials Price Index (1997=100)	160.3	-3.1%	2.8%	n/a

Source: Statistics Canada